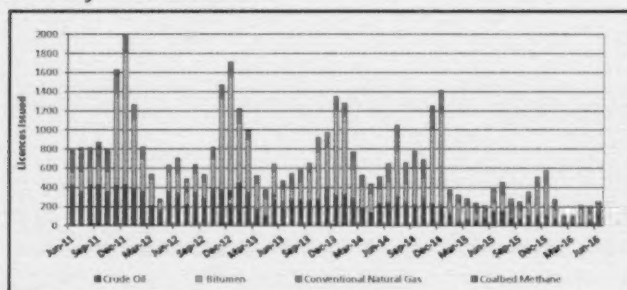


July 2016 Industry Activity Report

Monthly Well Licences



The Alberta Energy Regulator issued 249 well licences in June 2016, down 38% from the 399 well licences issued in June 2015.

There were 133 licences issued for crude oil in June 2016, down 10% from the 147 crude oil licences issued in June 2015.

94% of the crude oil licences issued in June 2016 were for horizontal wells.

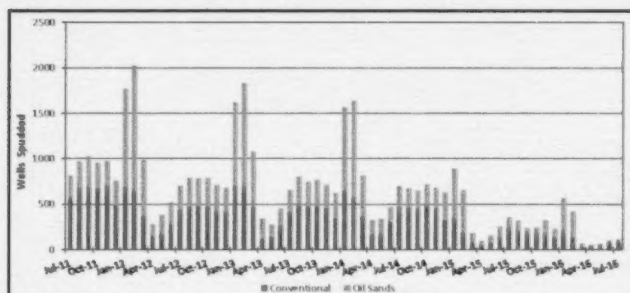
There were 89 natural gas well licences (excluding CBM) issued in June 2016, 46% less compared to the 164 licences reported in June 2015.

99% of natural gas well licences issued in June 2016 were for horizontal wells.

JUNE 2016			
Licensed Wells	Drilling Type	Total Licences	Per cent of Total Licences
Natural Gas	Horizontal	88	43%
	Vertical/Direct	1	
Coal Bed Methane	Horizontal	-	
	Vertical/Direct	-	
Crude Oil	Horizontal	125	24%
	Vertical/Direct	8	
Bitumen	Horizontal	20	33%
	Vertical/Direct	6	
Evaluation	Horizontal	1	
	Vertical/Direct	1	
Total		249	100%

Source: Alberta Energy Regulator

Alberta Wells Spudded (estimates)



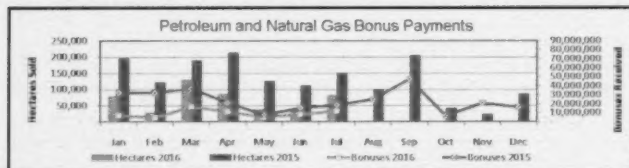
With a total of 111 spuds for the month of July 2016, activity has dropped 68% as compared to July 2015 when there were 352 spuds.

From January to July 2016, spuds for conventional wells are down 48% while oil sands spuds are down 46% as compared to the same period in 2015.

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Total
2011													
Conventional	760	708	532	110	181	339	573	679	690	678	701	484	6,435
Oil Sands	1052	1295	786	131	153	186	239	289	329	277	273	273	5,283
2012													
Conventional	690	646	370	135	169	278	430	467	481	475	423	412	4,976
Oil Sands	1075	1376	610	141	206	241	274	318	303	307	284	263	5,398
2013													
Conventional	701	700	471	112	137	266	412	485	480	475	458	346	5,043
Oil Sands	915	1126	608	227	133	186	243	316	267	290	248	273	4,832
2014													
Conventional	648	577	362	161	171	317	471	463	451	490	447	319	4,877
Oil Sands	914	1059	450	159	164	142	227	210	194	226	229	307	4,281
2015													
Conventional	351	185	74	52	77	141	239	212	165	191	187	124	1,998
Oil Sands	536	466	108	43	76	114	113	104	69	49	133	105	1,916
2016													
Conventional	188	129	31	38	46	81	73	10					596
Oil Sands	380	290	37	11	16	18	38	22					612

Source: Alberta Energy Regulator

Petroleum & Natural Gas & Oil Sands Land Sales

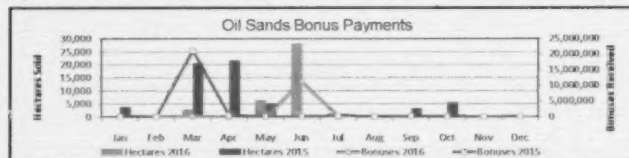


Bonuses received from the petroleum and natural gas land sales held in July 2016 were about \$11.9 million with an average price per hectare of \$144.23.

Oil sands land sales totalled about \$0.15 million with average price per hectare of \$117.34 in July 2016.

Between January and July 2016, Alberta received a total of \$75.8 million from the sales of about 512 thousand hectares of land, compared to about \$183.7 million received on the sales of about 1.2 million hectares in the same period in 2015.

Average crown land prices between January to July have decreased from \$158.85/hectare in 2015 to \$148.08/hectare in 2016.

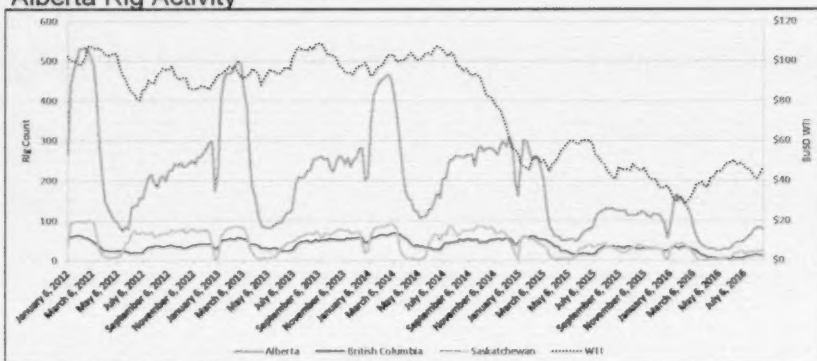


Petroleum and Natural Gas Rights	Jul-16	Jul-15	YTD 2016	YTD 2015
Bonuses	\$11,868,148.75	\$18,309,407.18	\$64,380,415.71	\$161,495,359.51
Hectares	82,284	149,856	473,697	1,104,059
Average Price per Hectare (Cdn\$)	\$144.23	\$122.18	\$135.91	\$146.27

Oil Sands Rights	Jul-16	Jul-15	YTD 2016	YTD 2015
Bonuses	\$150,192.64	\$306,021.11	\$11,412,471.83	\$22,181,726.71
Hectares	1,280	933	38,137	52,261
Average Price per Hectare (Cdn\$)	\$117.34	\$327.83	\$299.25	\$424.44

Source: Alberta Energy

Alberta Rig Activity



Canadian Drilling	Drilling August 19, 2016	Up or Down Compared to the Previous Week	WTI (\$/bbl)
Alberta	79	(6)	\$ 45.72
Saskatchewan	25	3	
British Columbia	11	(1)	
Canada	121	(5)	

Source: Baker Hughes

Rig activity in Alberta fell to 79 for the week of August 19th, 2016 and is 52 (40%) lower than last year.

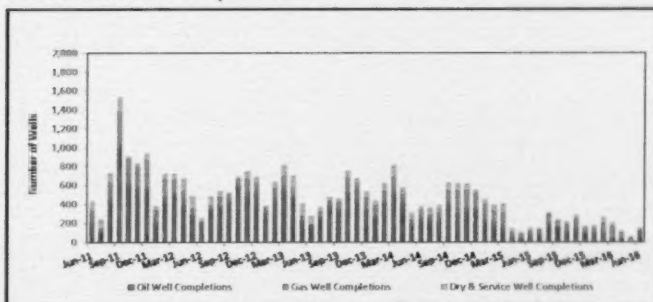
In Canada the number of rigs drilling decreased by 5 to 121 for the week of August 19th, 2016 and is 83 (41%) lower than last year.

Oil directed rig count held even at 65 and is 32 (33%) lower than last year.

Gas directed rig count was down 4 at 56 and is 55 rigs (50%) lower than last year.

Canadian drilling falls rapidly in the spring to avoid environmental damage moving drilling equipment during the spring thaw and rainy season. With large weather related seasonal swings, even year-over-year comparisons can lead to incorrect conclusions.

Alberta Well Completions



There were a total of 103 wells completed in July 2016, down about 71% from 145 wells completed in July 2015.

Compared to January - July 2015, oil completions are down 55% and gas completions are down 27% for the same period in 2016.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2011													
Oil Wells	226	353	650	419	602	209	105	451	1030	626	559	568	5,798
Gas Wells	145	294	974	472	196	124	43	183	356	259	243	299	3,588
Dry & Service	42	127	222	112	160	100	97	94	145	19	32	73	1,223
2012													
Oil Wells	215	489	516	405	296	205	348	380	447	588	533	523	4,945
Gas Wells	131	181	146	141	62	12	46	98	65	81	137	110	1,210
Dry & Service	35	48	55	126	128	37	94	63	12	23	80	59	760
2013													
Oil Wells	313	449	544	481	230	179	263	394	357	528	463	333	4,534
Gas Wells	59	124	149	91	47	14	59	46	72	153	164	139	1,117
Dry & Service	9	67	119	129	66	79	51	34	29	72	44	58	757
2014													
Oil Wells	280	427	520	418	188	240	245	257	389	314	354	348	3,980
Gas Wells	105	119	166	94	54	94	52	63	154	239	197	161	1,498
Dry & Service	57	80	126	62	63	45	70	69	85	65	62	42	826
2015													
Oil Wells	239	194	147	57	34	75	80	189	154	113	152	89	1,523
Gas Wells	166	134	166	52	42	45	44	108	65	75	93	63	1,053
Dry & Service	46	60	94	32	25	31	21	13	15	27	40	11	415
2016													
Oil Wells	88	106	43	30	11	48	46						372
Gas Wells	55	90	106	69	29	75	47						471
Dry & Service	29	64	51	14	11	21	10						200

Source: JuneWarren-Nickle's Energy Group